during the last two years. The premises of the company and its executives have been searched by the Directorate of Enforcement under the provisions of Foreign Exchange Regulation Act, 1973 and the investigations are continuing. Therefore, it is not correct to say that the matter has been hushed up.

(c) and (d) there is no representation before the Government to hand over the investigations to the CBI.

Witholding of Loans by World Bank to India

2983. SHRIMATI VEENA VARMA: SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that World Bank has postponed two further loans to India, in the wake of N-tests of May 1998, by India;

(b) if so, the details of the loans so far withheld or postponed by the World Bank; and

(c) Government's assessment about their likely impact on India's economy?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The World Bank has deferred consideration of the following projects:

(i) The Power Grid II Project (US $ 450 million).

(ii) Renewable Energy II Project (US $ 130 million).

(iii) Haryana State Highway Project (US $ 275 million).

(iv) U.P. Diversified Agriculture Support Project. (US $ 130 million).

(v) Orissa Health Systems Development Project. (US $ 76.4 million).

Subsequently out of the above five, Serial No. (iv) and (v) have been approved on July 1, 1998.

(c) The impact on the economy due to postponement of these projects is likely to be limited and that would also depend upon how long they would remain deferred.

Cancelled/Withheld Foreign Funded Projects

2984. DR. D. MASTHAN: Will the Minister of FINANCE be pleased to state:

(a) the project for which funding by foreign countries has been cancelled/ withheld as a result of nuclear experiments by India;

(b) the projects in Tamil Nadu for which Japan and USA have refused/ withheld funds/loans promised earlier; and

(c) whether the Central Government would provide/arrange funds for projects like Hogenekkal drinking water project in Tamil Nadu since funding has been refused due to the decision of the Central Government to go in for nuclear experiments?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) As per the Statement enclosed (*See below*)

(b) There are no projects in Tamil Nadu for which Japan and USA have refused/withheld funds/loans promised earlier.

(c) Projects like Hogenekkal drinking water project are in the State sector. In case these are not picked up for funding by a donor, it is for the concerned State Government to find resources for such projects from within the State Plan.

Statement

Donor: USA

1. Energy Management Consultation and Training.
2. Greenhouse Gas Pollution Prevention Project.

3. Operation Research component of Innovations in Family Planning Services Project.
4. Financial Institutions Reforms & Expansion Project.
5. Technical Assistance and Support Project.
6. Agriculture Commercialisation and Enterprise Project.

Donor: Norway

7. Orissa Environmental Programme.
8. Productive Sector Cooperation Project.

Donor: Canada

9. Energy Infrastructure Services Project.
10. Telecom Operations Project.
11. Telecom Framework Project.

Re-Introduction of Rs. 1,000 Currency Notes

2985. SHRI K.M. KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to re-introduce Rs. 1000 currency notes in near future;

(b) if so, the circumstances which necessitated such re-introduction;

(c) whether such re-introduction will have any repercussions on the aspects like inflation, economic growth and fast flow of black money; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Yes, Sir.

(b) The purchasing power of the rupee has gone down considerably since 1978, i.e. when high denomination notes were demonetised. The wholesale price index (base 1981-82=100) has risen from 65.88 in January, 1978 to 319.20 in December, 1996. Similarly, the Consumer Price Index (base 1982=100) has also moved up from 65.92 in January, 1978 to 350 in December, 1996, indicating an erosion in the value of the rupee from 100 paise in January, 1978 to 18.8 paise in December, 1996. This entails that the average consumer requires notes of a higher face value for his normal transactions. The introduction of the Rs. 1000 denomination bank note will meet the demand for high value cash transactions. This will also considerably improve note supply position in the country as it would greately relieve the pressure on lower denomination notes.

(c) and (d) The denomination of notes in circulation, per se, has no effect on matters like inflation or circulation of black money. Consequently, the introduction of Rs. 1000 note will not have any repercussion on inflation, economic growth and black money.

Representations Regarding Loans to Scheduled Castes/Scheduled Tribes in West Godavari District

2986. SHRI YERRA NARAYANA-SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the offices of State Bank of India in Andhra Pradesh have received representations that Scheduled Caste and Scheduled Tribe people are not receiving loans from its branches in West Godavari district;

(b) whether some branches are following a concerted and deliberate policy of ignoring Scheduled Castes and Scheduled Tribes in this matter;

(c) the action proposed against the branches and their management in perpetuating such atrocities against the weaker sections;

(d) whether any efforts has been made to contact the Scheduled Caste/Schedule Tribe to discuss the ways to meet their demands; and

(e) if so, the details thereof?